PORTFOLIO OF EVIDENCE

QUESTION 4

GOPM 521

NWU BUSINESS SCHOOL

CLASS EXERCISE

Susan wants to do an inventory analysis on the favourite products of W & T Distributors. The yearly demand for the product is 3 000 units, unit costs amount to R100 and the carrying costs are 20% of the unit price. Ordering costs amount to R20 per order and the lead time is 10 days (assume the year consists of 50 weeks and 1 week = 5 days). Lots must be rounded to 1.

INFORMATION

1. D= Demand
2. C = Carrying costs
3. P = Unit cost
4. O = Ordering cost
5. SS = Safety stock
6. L = Lead Time (Number of weeks/Days)

STEPS TO FOLLOW

1. *Work through the applicable chapter in your prescribed book.*
2. *Listen to the recording of Dr Jordaan*
3. *Read through the class exercise and use the information codes provided in the slides*
4. *When applying slide 2 and 3, attempt to solve the problem indicating all the steps*

RUBRIC FOR INVENTORY

Name and Student number	
One mark for each step (Memo will be given after submission date)	10 x 2
TOTAL	/20

The closing date is indicated on the calender

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